Health Benefit Exchange: Outreach, Education and Enrollment Public Meeting
Nevada Division of Health Care Financing and Policy (DHCFP)
Cashman Convention Center, 850 North Las Vegas Boulevard, Las Vegas, Nevada
Wednesday, March 2, 2011 1:00 PM – 3:00 PM
Notes from Meeting

I. Health Care Reform and the Exchange

- Speakers:
  - Gloria Macdonald, CPA – Project Manager for Health Care Reform, Division of Health Care Financing and Policy (DHCFP)
  - Bob Carey – Senior Advisor, Public Consulting Group (PCG)
  - Brett Barratt – Nevada Insurance Commissioner

- The Health Benefit Exchange is the centerpiece of federal health insurance reform in the Affordable Care Act.

- Nevada received a $1 million dollar federal grant to begin the process of determining how to create an Exchange that meets the unique needs of Nevadans.
  - Funding will be used to develop a detailed plan, adopt policies and procedures, and begin to assemble the infrastructure and resources needed to establish the health insurance Exchange

- Three primary goals of the Exchange:
  1. Expand access to health coverage for residents of the state who are uninsured and who lack access to affordable coverage
  2. Leverage existing resources in the public and private sector to achieve administrative efficiencies
  3. Minimize to the greatest extent possible unintended disruption to the commercial health insurance markets.

- Agenda for today's meeting:
  - Brief overview of the Health Benefit Exchange
  - Receive feedback from attendees with regard to outreach, education, and enrollment

- One in five people in the State of Nevada do not have health insurance
  - It will be a big undertaking to provide outreach to nearly half a million people
  - Will need a multi-pronged multi-faceted outreach and enrollment campaign
  - Setting up a website will only be one piece of the task
    - Many people do not have access to internet, and/or will need to speak to someone directly in order to understand the differences in the health benefit packages that will be available to them
  - Hope to get some thoughts from the audience as to how the state can best structure an outreach campaign

- Overview of an Exchange:
    - An organized commercial insurance marketplace initially for individuals and small groups (employees with 50 or fewer employees)
    - Required to expand the definition of small groups to 100 or fewer employees in 2016
    - Also serves as one-stop shop to determine eligibility for publicly subsidized programs including Medicaid, Nevada Check-Up, and subsidized coverage available through the Exchange.
    - A source of information on carriers and health plans' performance
        - The law talks specifically about rating plans and providing information to consumers about plan performance
    - Customer service will be a large aspect of the Exchange - people will need guidance to understand the eligibility for publicly subsidized programs as well as the different types of coverage and what benefits are included in each plan type

- Who is eligible:
    - Individuals are eligible if they are a legal resident of the United States and a legal resident of the state of Nevada; and
        - Not eligible for other publicly subsidized programs, i.e., Medicaid/CHIP
        - Not offered employer sponsored insurance that is deemed affordable, meaning the employee's share of the premium is less than 9.5 percent of their income

- Exchange will provide premium subsidies to individuals and families up to 400 percent of federal poverty level (FPL), roughly $43,500 for an individual, closer to $90,000 for a family of four
    - People at the lower income levels will be heavily subsidized and the subsidies start to diminish quickly as you move up the income ladder

- Premium subsidies are available for small employers with lower wage workers. A small employer of 25 or fewer employees is eligible for premium subsidies of up to 50 percent of the employer's share of the premium. This is a time-limited two-year tax credit available through the Exchange.

- Types of plans offered through the Exchange will be in five actuarial tier values: platinum, gold, silver, bronze, and catastrophic (i.e., high deductible health plan).
    - The high-deductible catastrophic coverage is limited to people under age 30 or people who are deemed unable to afford coverage
    - The Exchange will have flexibility with regard to how it structures the plans that are available within each coverage tier

- Federal government still needs to specify what is considered the minimum essential health benefits.
    - The Secretary of Health and Human Services is charged with making a detailed list of the essential health benefits that must be covered by the health plans offered through the Exchange

    - If the State of Nevada has mandates that fall outside of what the federal government considers essential health benefits, the State will need to pay for that coverage for all people purchasing coverage through the Exchange

- The Exchange has flexibility within the coverage tiers with regard to how it structures the co-pays and deductible and co-insurance, or whether it will simply go to the marketplace and allow carriers to design the plans

- The potential value of the Exchange for small employers is that it may allow employers to offer employees coverage from a number of different carriers, with consolidated billing for the employer
    - The Exchange will need to make a decision about how much choice to provide to small employers

- Outreach, Education and Enrollment: Most people in the United States have never purchased insurance on their own – they either get it through their employer, or they get it through a public program
    - The more complicated and the more variation you have in terms of the suite of products that are available through the Exchange, the more you will need to help consumers and walk them through their coverage options

- Exchange Customer Service: need to establish a customer service unit, a toll-free number, walk-in facilities, paper forms, and website
    - Role of navigators: to raise awareness about the availability of various public programs and insurance options that are available, including Medicaid, Nevada Check-Up, Medicare and premium subsidies available through the Exchange.
        - Not Exchange specific
        - Cannot be reimbursed directly or indirectly for enrolling people in coverage
    - Role of brokers: to assist individuals and small employers to purchase insurance
        - Licensed agents
        - Paid typically on a per-member enrollment basis and help people walk through the various options available to them

- Key questions:
    - What kind of benefit plans are going to be offered through the Exchange?
    - How standardized and structured should those plans be versus allowing the market to develop benefits packages on its own?
    - What types of benefit plans will be offered in the various tiers?
    - How will the Exchange effectively reach the uninsured population?
    - How will brokers work through the Exchange?
    - How will outreach and education differ for the individual market and the small group market?

- Next steps:
    - Continuation of public forums: Meeting scheduled for the end of March to talk about the Exchange and the commercial market, some of the issues around the changes in commercial insurance regulations that will take effect in 2014 and the impact that the Exchange may have on the existing commercial market.

II. Nevada's Exchange Enabling Legislation

- The proposed Exchange legislation would establish a governing board of directors consisting of seven people:
    - Five to be appointed by the Governor
    - One to be appointed by the Majority Leader
    - One to be appointed by the Speaker

- In addition to the seven board members, the legislation proposes three ex officio members:
    - Director, or his/her designee, of the State Department of Health and Human Services
    - Director, or his/her designee, of the Department of Business and Industry
    - Director, or his/her designee, of the Department of Administration

- Board members will not receive any compensation

- Bill draft indicates that no member of the board may be a legislator, hold an elective office in the State, be an employee of the State, or be an employee of a municipality of the State

- Things to be mindful of moving forward with the Exchange:
    - Preventing adverse selection
    - Defining the role of the broker community
    - The role of the Exchange in the commercial market

- Nevada is a member of the 27 states that have sued the Federal government over healthcare reform
    - We will continue to move forward with the Exchange, pending resolution of the lawsuit
    - If we do not meet the benchmarks that the Federal government has set in place, the federal government will set-up and administer an Exchange for Nevada

- Timeline of the Exchange:
    - January 1st 2013 – Must demonstrate to the federal government that the State has a plan and they are making progress towards implementing an Exchange
    - January 1st 2014 – The Exchange needs to be functional and operational
    - January 1st 2015 – The Exchange needs to be self-sufficient
    - 2016 – Expand the small group market to groups with up to 100 employees
    - 2017 – Option to expand the Exchange to serve larger groups (i.e., greater than 100 employees)

III. Questions:

- **Lucy Peres, National Silver Haired Congress**
    - Question: What are the residency rules in the state of Nevada for participation in the Exchange?
    - Answer: Envision a simple and straightforward residency verification process
        - If you have an address and you live in the State of Nevada, and you are a legal resident of the United States, then you would be eligible for coverage.
    - Question: Where does the funding come from for those individuals that are eligible for Medicaid after the Medicaid expansion in 2014?

- Answer: The federal government will pay 100 percent of the cost for those who are in the newly eligible category for the Medicaid program. It will not be a 50/50 split or 60/40 share for a number of years.
    - For the first three years of the expansion, this population will be 100 percent federally funded. The federal support is eventually reduced, so that by 2020, it will be 90-percent federally funded, ten-percent state funded, for those in the newly eligible category.

- **Bob Bishop, Insurance Agent**
    - Question: How will the Exchange work for small employers with employees in multiple states?
    - Answer: Today, those employers probably buy a PPO product that provides some out of network coverage for those employees that live in other states who might not be part of the network.
        - Assuming that the Nevada Exchange would be selling PPO type products, I do not expect that these employers would be treated any differently. The Exchange is going to be selling commercial insurance; it is simply a distribution network.

- **Larry Harrison, Independent Agent**
    - Question: If people did not want to buy coverage through the Exchange, will they still be eligible for subsidies? What about small employers?
    - Answer: Premium subsidies for individuals are only available from the Exchange.
        - There is currently a tax credit for small employers to apply for, but in 2014, small employers will have to go through the Exchange to get that tax credit.

- **Melissa Amaon, Independent Agent**
    - Question: With regard to the essential health benefits, when is the HHS required to deliver all of inclusive minimum benefits standards so carriers can begin working on products and pricing?
    - Answer: There actually is no deadline in the law, it simply says that the "Secretary shall" - This term is used quite often throughout the ACA; however, from conversations with CMS and others in Washington, they are working on the essential health benefits package and are planning on issuing draft regulations in the fall of 2011.
        - I will venture to guess the initial rule making issued by the Secretary will generate an influx of letters and opinions from across the country, so when the final decision is made is anyone's guess.
    - Question: Has any consideration or provision been provided to keep people from jumping on and off the Exchange from a low benefit to a high benefit plan when it suits them?
    - Answer: This is a crucial point. The law requires an open enrollment period, so there would be a limited amount of time during which people can purchase coverage through the Exchange. The Exchange will need to coordinate with the rest of the commercial market so that you do not have people moving from the Exchange to outside the Exchange to purchase coverage only when they need it. There will be a limited open enrollment period; otherwise people will not be able to purchase coverage.

- It is the change of status situation that will need to be carefully managed by the Exchange and by the insurers in the non-Exchange market; and there will need to be agreement about what constitutes a change in status that will determine when somebody can buy off cycle.

- **Dan Heffley, NAHU**
  - Question: Could you clarify, with the basic, minimum standards requirements. Does this refer to actuarial values or does it refer to things such as a $10 co-pay or a $25 co-pay, etc.?
  - Answer: The option is on the table for Nevada to decide. The Exchange could say to the carrier community "this is a 90 percent plan and these are the co-pays and these are all the services you have to provide, and tell us what plan meets those specifications" or the Exchange could say to the carriers "90 percent, 80 percent, 70 percent, 60 percent actuarial value – give us a product that meets those standards."

- **Barry Gold, AARP Nevada**
  - Question: How often does the board plan to meet?
  - Answer: The proposed legislation says that the board shall meet not less than once a quarter. Initially the board to going to meet all the time.
    - There will also be subcommittees appointed by the board to handle different areas and different decisions. These groups will also have open meeting law requirements.

- **Melissa Amaon, Independent Agent**
  - Question: Is there a minimum number of hospitals that need to be provided by a particular network, the minimum wait time to see a primary physician, etc. – are these issues addressed in the minimum essential benefits?
  - Answer: There is nothing in the law that speaks to those requirements; however, the plans will need to meet requirements for network adequacy and geographic coverage. Currently, HMO network adequacy is monitored by the Health Division. The Exchange does not have regulatory authority over commercial carriers in Nevada, but the Exchange will be required to only certify those "qualified health plans" that meet certain requirements, including network adequacy, marketing standards, and quality improvement programs. It will be up the federal Secretary of Health and Human Services, as well as the Silver State Health Insurance Exchange, to determine what those criteria are, and what it means to be a "qualified health plan."

- **Dwight Mazzone, Insurance Agent**
  - Question: Will the Exchange have any effect on doctors' compensation
  - Answer: No. Compensation will continue to be determined, in part, through contracts between the insurers and the providers.
  - Comment: Need to take a good look at the role of navigators in the Exchange - it is going to be extremely critical to make sure that an adequate number of bodies are coming through the Exchange and not on an adverse selection basis. Also as a broker, I do not want to be responsible for doing the work that they are expected to do for free.

- Response: This comment is noted – there should be a paid role for brokers in the Exchange as well as a role for navigators.
- Question: The Pre-Existing Conditional Insurance Plan (PCIP) does not comply with the ACA, and there is a lot not in the PCIP product. Are the programs that are going to be inside the Exchange going to have to comply with all state mandates?
- Answer: The State will have to make a decision for those benefits that fall outside of the minimum essential health benefits that are state mandates. The State needs to decide whether they are going to continue those mandates or not, and if they are going to continue with them, the State will need to pay the cost of those mandates through the additional premiums associated with the mandates, for people who purchase insurance through the Exchange.
- Question: Would that not create a whole new wave of Bill Draft Requests (BDRs) that are going to need to be dropped in 2013 to be able to comply with Nevada Revised Statutes (NRS) now?
- Answer: Yes, we are anxious to see what the minimum essential health benefits will be because then we can take that next step.

- **Mayra Ocampo, Nevada Alliance for Retired Americans**
  - Question: What systems have been put in place against bad service?
  - Answer: That is the task of the Exchange board and the Exchange to figure out. Nevada might want to establish a rating system for plans based on customer service or dis-enrollment or denied claims. The Exchange is required to rate plans based on quality and price, so "bad service" could be part of that evaluation.

- **Barry Gold, AARP Nevada**
  - Question: Could you clarify what is PCIP?
  - Answer: The federally run high risk pool in Nevada. Nevada opted not to do our own high risk pool. Approximately 150 people are in it, but we are working really hard to get the word out to increase this pool.

- **Dan Heffley, Independent Broker**
  - Question: We have found that family coverage/dependent coverage is way out of line with what you can get in the individual market, so often times an employee will take the employer's subsidized coverage and then put the family members on an individual plan. Is it possible to put a spouse and child on an individual plan in the Exchange?
  - Answer: I am going to assume that if a family is looking for family coverage and they have access to employer sponsored insurance, they cannot get coverage if they come in as individuals. At least, they won't be able to get subsidized coverage if they have access to affordable employer-sponsored insurance.

- **Dwight Mazzone**
  - Question: Once the feds stop giving money, how does the Exchange make money to be self-sufficient and pay their employees?
  - Answer: There are different financial models. The Utah model is an add-on to the premium; if you purchase coverage through the Utah Exchange, you pay an additional $43 to fund the Exchange operations. In Massachusetts, the Connector Authority retains a percentage of the premiums – I think it's 3.5% of the premium –

just like a broker would, and that percentage of premium helps pay for the administration of the Exchange. Out of that retention of the premium, they pay brokers who bring coverage through the Connector.

- The Exchange is also going to be responsible for a lot of things unrelated to the purchase of coverage. For example, the navigator grants that will have to be issued are going to be Exchange funded, as well as certifying exemptions for the individual mandate. Developing a funding mechanism that reflects these additional responsibilities will be a key responsibility for the Exchange.

- **Bob Bishop**
  - Question: Can you explain the Utah Exchange model in greater detail?
  - Answer: Utah recognized that many small businesses did not offer health insurance to their employees, and they designed their Exchange to serve, primarily, small businesses and to make Utah a more attractive place for small employers. Their model uses a defined contribution that allows an employer to provide his or her employee with a fixed sum of money and then allows the employee to purchase a plan from a range of carriers. There is no premium subsidy from either the state or federal government in the Utah model.
    - Utah is currently not in compliance with federal law as their Exchange was developed a few years ago.
    - Employees can go to the website or to a broker and choose the plan that best meets their needs.
      - Even if they go to the Utah Exchange they are referred to a broker.
    - However, the responsibilities of the Exchange under federal law are much more expansive than the current Utah Exchange.

- **Dan Heffley, NAHU**
  - Question: For the small group market, can each employee chose a different plan design? If so, can they choose from different carriers?
  - Answer: That is to be determined by the Nevada Exchange. The law does not preclude the Exchange from doing one or the other – Nevada needs to determine whether the employee has choice, no choice, or limited choice.
  - Comment: The key issue is how the law in Nevada defines the role of navigators. How should they facilitate enrollment – is it going to be getting consumers into the plan or is it referring them directly to an independent agent or broker? The latter is preferred.
  - Response: Comment noted.

- **Melissa Amaon, Independent Agent**
  - Question: Is every carrier in the state required to participate in the Exchange?
  - Answer: No, the federal law does not require carriers to participate. The Nevada legislature could pass a law that requires carriers to offer coverage through the Exchange, but that doesn't seem likely. Our intent is to structure an Exchange that is attractive to carriers and an Exchange that carriers will want to participate in.

- **Mike Murphy, Anthem BCBS**

- Question: The carriers are going to be doing the billing and there are many decisions that need to be made first in order to determine whether or not the carriers can operationalize the things that are being talked about in this meeting. Since carriers have been precluded from the board, how are we ensuring that stakeholders, the carriers and other stakeholders, are included in the process?
- Answer: This is just the beginning stages of the planning process. The whole point of these meetings is to begin the dialogue with consumers, carriers, brokers, community groups, and other interested parties.
    - In addition, we will be setting up meetings with the insurers, consumer groups, brokers, and others to begin the dialogue in depth of designing the Nevada Exchange.

- **Melissa Amaon, Independent Agent**
    - Comment: The subcommittees that are reporting to the board of directors should be made up of carriers and people in the brokerage community that are experts on the ground.
    - Response: This is included in the Exchange enabling legislation.

- **Tracy Peters**
    - Question: What avenues are going to be taken to start educating consumers and the general public?
    - Answer: We are in the process of developing an external website and working with various other agencies to try to spread the word further to access people's emails lists for more stakeholder participation. This is an ongoing public engagement process, and these meetings are the first of a multi-year effort to begin to engage and educate the public about the Exchange and the expansion of the Medicaid program.
        - We would like to hold some night sessions of these public meetings so that more people can attend.

- **Daniele Dreitzer, Hopelink Family Resource Center**
    - Question: Is there a target date for when the board of directors would actually be sitting?
    - Answer: As soon as the legislation is passed, we hope the board will be appointed and they will hire an executive director, and get started on the Exchange implementation.

IV. Meeting Concluded at 3:00 P.M.